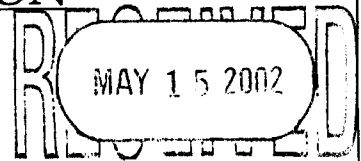


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-01578A
AGUILA WATER SERVICES, INC.
P. O. BOX 1086
SUN CITY AZ 85351-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

5-16-02 Cw

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Aguila Water Services, Inc.

Mailing Address Box 1086

(Street)

Sun City

(City)

AZ

(State)

85372-1086

(Zip)

623 566 0167

Telephone No. (Include Area Code)

623 566 0167

Fax No. (Include Area Code)

602 527 6335

Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: F. A. (Andy) Bonnet

(Name)

President

(Title)

7820 W. Pinnacle Peak Road

(Street)

Peoria

(City)

AZ

(State)

85383

(Zip)

623 566 0167

Telephone No. (Include Area Code)

623 566 0167

Fax No. (Include Area Code)

602 527 6335

Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: Jake Schmid

(Name)

Box 63

(Street)

Aguila

(City)

AZ

(State)

85320

(Zip)

928 685 3098

Telephone No. (Include Area Code)

928 685 3098

Fax No. (Include Area Code)

602 527 7321

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Victoria H. Bonnet

(Name)

7820 W. Pinnacle Peak Road

(Street)

Peoria

(City)

AZ

(State)

85383

(Zip)

623 566 0167

Telephone No. (Include Area Code)

623 566 0167

Fax No. (Include Area Code)

602 527 6330

Pager/Cell No. (Include Area Code)

Attorney: Norman D. James Fennemore & Craig

(Name)

3003 North Central Ave. Ste. 2600 Phoenix

(Street)

(City)

AZ

(State)

85012-2913

(Zip)

602 916 5346

Telephone No. (Include Area Code)

602 916 5546

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☒ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**


☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	600		600
304	Structures and Improvements	22,272	13,565	8,707
307	Wells and Springs	11,183	11,183	0
311	Pumping Equipment	17,025	8,645	8,380
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	71,183	10,213	60,970
331	Transmission and Distribution Mains	205,385	180,987	24,398
333	Services	31,012	29,374	1,638
334	Meters and Meter Installations	31,308	21,033	10,275
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	16,484	16,285	199
340	Office Furniture and Equipment	16,150	10,250	5,900
341	Transportation Equipment	27,571	24,714	2,857
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	450,173	326,249	123,924

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	600		0
304	Structures and Improvements	22,272	3.31	737
307	Wells and Springs	11,183		0
311	Pumping Equipment	17,025	5.87	998
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	71,183	2.52	1,789
331	Transmission and Distribution Mains	205,385	.52	1,067
333	Services	31,012	1.60	494
334	Meters and Meter Installations	31,308	4.05	1,268
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	16,485	3.24	534
340	Office Furniture and Equipment	16,150	6.33	1,021
341	Transportation Equipment	27,571	89.64	24,714
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			32,622

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

COMPANY NAME Aguila Water Services, Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ [3,217]	\$ 32,997
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	10,309	19,784
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,902	2,902
162	Prepayments	2,117	3,796
174	Miscellaneous Current and Accrued Assets	141	251
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 12,251	\$ 59,730
	FIXED ASSETS		
101	Utility Plant in Service	\$ 329,271	\$ 422,602
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	[293,627]	[301,535]
121	Non-Utility Property		27,571
122	Accumulated Depreciation – Non Utility		[24,714]
	TOTAL FIXED ASSETS	\$ 35,644	\$ 123,924
	TOTAL ASSETS	\$ 47,895	\$ 183,654

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Aguila Water Services, Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 22,387	\$ 26,472
232	Notes Payable (Current Portion)		31,250
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	15,725	19,256
236	Accrued Taxes	2,280	5,548
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	38,988	37,137
	TOTAL CURRENT LIABILITIES	\$ 79,380	\$ 119,663
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$ 76,953
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	29,048	29,048
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	373	15,373
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 29,421	\$ 44,421
	TOTAL LIABILITIES	\$ 108,801	\$ 241,037
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 29,365	\$ 29,365
211	Paid in Capital in Excess of Par Value	48,006	48,006
215	Retained Earnings	[138,276]	[134,754]
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ [60,906]	\$ [57,383]
	TOTAL LIABILITIES AND CAPITAL	\$ 47,895	\$ 183,654

COMPANY NAME Aquila Water Services, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 141,270	\$ 185,558
460	Unmetered Water Revenue		
474	Other Water Revenues	1,080	933
	TOTAL REVENUES	\$ 142,350	\$ 186,491
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 63,604	\$ 72,085
610	Purchased Water		
615	Purchased Power	12,139	11,615
618	Chemicals	686	3,016
620	Repairs and Maintenance	9,868	7,293
621	Office Supplies and Expense	5,281	2,678
630	Outside Services		
635	Water Testing		
641	Rents	240	
650	Transportation Expenses	4,637	6,425
657	Insurance – General Liability	4,141	5,307
659	Insurance - Health and Life	6,834	9,309
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	26,393	28,872
403	Depreciation Expense	6,299	32,622
408	Taxes Other Than Income	6,125	6,741
408.11	Property Taxes	5,662	4,786
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 151,909	\$ 190,748
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 135	\$ 48
421	Non-Utility Income	444	8,357
426	Miscellaneous Non-Utility Expenses		625
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ 579	\$ 7,780
	NET INCOME/(LOSS)	\$ [8,980]	\$ 3,523

COMPANY NAME Aquila Water Services, Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	March 23, 01	Sept 30, 01		
Source of Loan	WIFA	Vehicle		
ACC Decision No.	63333			
Reason for Loan	System improvements	Purchase Vehicle		
Dollar Amount Issued	\$ 71,171	\$ 25,571	\$	\$
Amount Outstanding	\$ 57,877	\$ 24,405	\$	\$
Date of Maturity	02/01/18	9 /1/06		
Interest Rate	6.38%			
Current Year Interest	\$ 0	\$ 264	\$	\$
Current Year Principle	\$ 13,293	\$ 1,166	\$	\$

Meter Deposit Balance at Test Year End

\$ 19,256

Meter Deposits Refunded During the Test Year

\$ 9,000

COMPANY NAME Aguila Water Services, Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-086985	50	250 GPM	12 "	4 "

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE	-0-	-0-

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 32,623,300

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	-0-	-0-
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000	2	5000	1
		2000	1

STATISTICAL INFORMATION

Total number of customers 278

Total number of gallons sold 30,500,600 gallons

COMPANY NAME Aguila Water Services, Inc **YEAR ENDING 12/31/2001**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Fd Bonnet
SIGNATURE

April 4, 2002
DATE

F. A. Bonnet
PRINTED NAME

President
TITLE

COMPANY NAME Aguila Water Services, Inc. YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

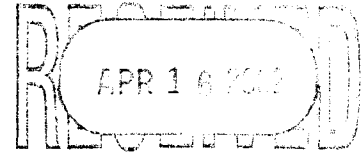
\$3520.60-----

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	F. A. Bonnet President
COMPANY NAME	Aguila Water Services, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 196,586.00 ✓

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 10,095 ✓
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

F. A. Bonnet
SIGNATURE OF OWNER OR OFFICIAL
623 566 0167
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

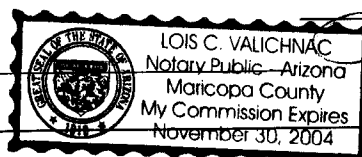
4th

DAY OF

COUNTY NAME	Maricopa
MONTH	APRIL
YEAR	2002

(SEAL)

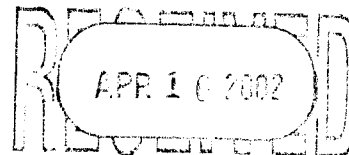
MY COMMISSION EXPIRES



[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) F. A. Bonnet	TITLE President
COMPANY NAME Aguila Water Services, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 196,586.00
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 10,095
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Fa Bonnet
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

04

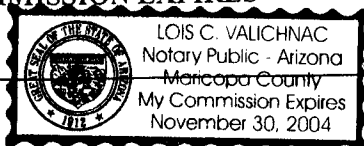
DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME LOIS C VALICHNAC	
COUNTY NAME MARICOPA	
MONTH APRIL	2002

X [Signature]
SIGNATURE OF NOTARY PUBLIC





FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

770552774

16-3717
1220

Remitter **AGUILA WATER SERVICES**

07-27-01



Pay To The Order Of ***** **MARICOPA COUNTY TREASURER** ***** \$ **3,520.60** *****

tb/288

Drawer: BANK ONE, ARIZONA, NA

NON NEGOTIABLE

Issued by Integrated Payment Systems Inc., Englewood, Colorado
Wells Fargo Bank Ltd, N.A., Los Angeles, CA

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.

CUSTOMER COPY